

## Message Text

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

/088 W

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R 310800Z DEC 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 1966

INFO AMEMBASSY TOKYO

AMCONSUL MEDAN

AMCONSUL SURABAYA

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EO 11652: N/A

TAGS: ENRG ID

SUBJ: JAPANESE LOAN FOR LNG PROJECTS

1. THERE HAVE BEEN PRESS REPORTS HERE THAT TOKYO HAS DECIDED TO GRANT PERTAMINA ADDITIONAL LOAN OF \$240 MILLION FOR DEVELOPMENT ARUN AND BADAQ LNG PROJECTS. MONEY WILL BE USED TO COVER COST OVERRUNS ON LIQUEFICATION AND GAS PROCESSING EQUIPMENT CAUSED BY SPIRILING INFLATION. ACCORDING TO PRESS, \$170 MILLION WILL BE PROVIDED FOR GOI FISCAL YEAR 1975/76 (APRIL 1-MARCH 31) WHILE BALANCE WILL BE EXTENDED IN FY 77.

2. AS PREVIOUSLY REPORTED, INDONESIA HAD ORIGINALLY ASKED FOR LOAN OF \$480 MILLION. JAPANESE REPORTEDLY WERE RELUCTANT TO GRANT FULL AMOUNT REQUESTED BECAUSE: (A) THEY FELT ARUN LNG PLANT WITH ITS SIX GAS TRAINS (THREE OF WHICH WILL BE USED FOR NON JAPANESE MARKETS, IE PACIFIC LIGHTING)

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WAS BEING "OVERBUILT"; (B) JAPANESE WERE UNHAPPY WITH THEIR

LNG SALES CONTRACT PRICE WHICH IS SUBSTANTIALLY ABOVE  
PACIFIC'S INITIAL SALES PRICE OF \$1.36/MMBTU; AND (C)  
INTERNAL GOJ DOMESTIC BUDGETARY RESTRAINTS.

3. OFFICIAL IN PERTAMINA'S REFINING DIRECTORATE CONFIRMED  
LOAN BUT ADDED, "IT'S NOT ENOUGH" (TO COVER COST OVERRUNS).  
GOI DISPATCHING WIJARSO, DIRECTOR OIL AND GAS AT  
MINIMINES, TO TOKYO FOR DISCUSSIONS ON POSSIBILITY OBTAINING  
LARGER AMOUNT. JAPANESE ARE EXPECTED TO RAISE ISSUE OF  
SALES PRICE AND PRESS FOR GREATER PARTICIPATION BY JAPANESE  
FIRMS IN CONSTRUCTION OF PLANTS. MEANWHILE, PERTAMINA  
INTENDS TO PUSH HARD FOR EARLY COMPLETION FIRST GAS TRAIN  
AT HUFFCO'S BADAK FIELD IN ORDER TO GET CASH FLOW STARTED  
THROUGH SALE OF LNG. RIVES

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, LOANS, PROGRAMS (PROJECTS), GAS PRODUCTION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 DEC 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975JAKART15917  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** DECLASSIFIED PER 8/31/77 MEMO FROM EA/TIMBS - ROBERT E. FRITTS  
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**Office:** ACTION EB  
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**TAGS:** ENRG, ID, JA, PERTAMINA  
**To:** STATE  
**Type:** TE  
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